Economic and Social Council

Distr.: General
15 August 2014

2014 session
Item 6 of the provisional agenda*

Resolution adopted by the Economic and Social Council on 14 July 2014

[*on a proposal considered in plenary meeting (E/2014/L.19)*]

2014/14. Progress in the implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system

The Economic and Social Council,

Recalling General Assembly resolutions 67/226 of 21 December 2012 and 68/229 of 20 December 2013 and Economic and Social Council resolution 2013/5 of 12 July 2013, in which key system-wide policy orientations were established for development cooperation at both the Headquarters and the country levels,

Reaffirming the importance of the timely and full implementation of the system-wide policy orientations established in General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system,

Recalling the critical role of the Council in providing coordination, monitoring and guidance to the United Nations system to ensure that those policy orientations are implemented in a full and timely manner on a system-wide basis in accordance with the present resolution and General Assembly resolutions 48/162 of 20 December 1993, 50/227 of 24 May 1996, 57/270 B of 23 June 2003, 61/16 of 20 November 2006, 65/285 of 29 June 2011, 67/226 and 68/1 of 20 September 2013,

Reaffirming that the fundamental characteristics of the operational activities for development of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality and their multilateralism, as well as their ability to respond to the development needs of programme countries in a flexible manner, and that the operational activities are carried out for the benefit of programme countries, at the request of those countries and in accordance with their own policies and priorities for development,

Noting the changes to its cycle,

Recognizing the importance and catalytic role of predictable official development assistance for international development, noting that global official

* E/2014/1/Rev.1, annex II.

14-56930 (E)

Please recycle

development assistance increased steadily from 1997 to 2010 and that official development assistance increased in 2013, and noting with concern that official development assistance declined in 2011 and 2012,

Introduction

1. *Takes note* of the report of the Secretary-General on the implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system;[1]

2. *Acknowledges* the efforts of the Secretary-General, in consultation with Member States and all relevant entities, to establish a comprehensive and coherent monitoring and reporting framework for the implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review;

3. *Requests* the United Nations funds and programmes to make every effort to continue to improve monitoring and data collection methods with a view to contributing towards further enhancement of the analytical quality of the report of the Secretary-General on operational activities for development of the United Nations system;

4. *Requests* the United Nations development system to provide quality inputs and appropriate updates to the report of the Secretary-General with a view to continuing to improve high-quality analytical reporting on the operational activities for development, while stressing the need to minimize transaction costs associated with reporting;

5. *Calls upon* the Secretary-General to further improve the analytical and evidence-based quality of the report on the implementation of the quadrennial comprehensive policy review, including by addressing challenges and presenting options for enhancing the implementation of system-wide mandates of the review;

6. *Also calls upon* the Secretary-General to ensure that the United Nations Development Group and the High-level Committee on Management fully align their efforts to monitor implementation of the quadrennial comprehensive policy review and align their work in the area of operational activities for development with the review;

7. *Reiterates its request* to the United Nations funds and programmes that have not already done so to consolidate their annual reporting on the implementation of the quadrennial comprehensive policy review within their reporting on the implementation of their strategic plans;

8. *Requests* the United Nations funds and programmes to continue to improve the quality of their annual reports to the Economic and Social Council;

9. *Reiterates its encouragement* to entities of the United Nations development system with operational activities for development that have not done so to fully align their strategic plans and their strategic planning and budgeting cycles with the quadrennial comprehensive policy review, taking into account their respective mandates;

[1] A/69/63-E/2014/10.

Funding of operational activities for development of the United Nations system

10. *Reiterates* that core resources, because of their untied nature, continue to be the bedrock of the operational activities for development of the United Nations system, and in this regard recognizes the need for organizations to address, on a continuous basis, the imbalance between core and non-core resources and to report to the Council in 2015, as part of their regular reporting, on the measures taken to address this imbalance;

11. *Notes* that the majority of the increase in funding for the United Nations development system between 1997 and 2012 was in the form of non-core resources, resulting in an imbalance between core and non-core resources, and notes with concern that the percentage of core resources in the overall funding for operational activities has declined, representing only 28 per cent in 2012;

12. *Also notes* that non-core resources represent an important contribution to the overall resource base of the United Nations development system and complement core resources in supporting operational activities for development, thus contributing to an increase in total resources, while noting the need to make non-core resources more flexible and better aligned with strategic plans and national priorities and recognizing that non-core resources are not a substitute for core resources;

13. *Recognizes* that non-core resources pose challenges, in particular restricted earmarked funding such as single-donor project-specific funding, by potentially increasing transaction costs, fragmentation, competition and overlap among entities and providing disincentives for pursuing an Organization-wide focus, strategic positioning and coherence and may also potentially distort programme priorities regulated by intergovernmental bodies and processes;

14. *Expresses its regret* that the mandate contained in General Assembly resolution 67/226 with respect to taking concrete measures to broaden the donor base was not fulfilled, and requests the United Nations funds and programmes and encourages specialized agencies that have not done so to report to their governing bodies at a 2014 session on concrete measures taken to broaden the donor base and increase the number of countries and other partners making contributions to the United Nations development system in order to reduce the reliance of the system on a limited number of donors;

15. *Also expresses its regret* that the mandate contained in General Assembly resolution 67/226 with respect to the critical mass of core resources was not fulfilled, and reiterates the request to the United Nations funds and programmes to define common principles for the concept of critical mass of core resources, which may include the level of resources adequate to respond to the needs of the programme countries and to produce the results expected in strategic plans, including administrative, management and programme costs, in consultation with Member States, and to present specific proposals in 2014 with a view to a decision in 2014;

16. *Stresses* the need to avoid the use of core/regular resources to subsidize non-core/extrabudgetary financed activities, reaffirms that the guiding principle governing the financing of all non-programme costs should be based on full cost recovery, proportionally, from core and non-core funding sources, and in this regard notes the timelines agreed by the executive boards of the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund and the United Nations Entity for Gender Equality and the

Empowerment of Women (UN-Women) for an independent and external assessment to be performed in 2016 of the consistency and alignment of the new cost recovery methodology with the quadrennial comprehensive policy review;

17. *Recalls* the request contained in General Assembly resolution 67/226 to the executive boards of the United Nations funds and programmes and the governing bodies of the specialized agencies, as appropriate, to organize structured dialogues with Member States during 2014 on how to finance the development results agreed in the new strategic planning cycle of the respective entities, with a view to making non-core resources more predictable and less restricted/earmarked, broadening the donor base and improving the adequacy and predictability of resource flows;

18. *Welcomes* the progress made by the United Nations funds, programmes and specialized agencies to ensure that available and projected core and non-core resources are consolidated within an integrated budgetary framework, based on the priorities of their respective strategic plans, and encourages all agencies that have not already done so to develop such integrated frameworks in their next budget cycle;

Contribution of the operational activities of the United Nations to national capacity development and development effectiveness

19. *Reaffirms* the request by the General Assembly to the United Nations development system to develop, for the consideration of Member States, a common approach for measuring progress in capacity development, including measures to ensure sustainability, as well as to develop specific frameworks aimed at enabling programme countries, upon their request, to design, monitor and evaluate results in the development of their capacity to achieve national development goals and strategies, and invites the Secretary-General to provide, in his 2015 annual report on the implementation of Assembly resolution 67/226 on the quadrennial comprehensive policy review, comprehensive and evidence-based updates on measures taken in this regard;

20. *Requests* the Secretary-General to include in his regular report to the Council in 2015, in consultation with Member States, information on steps taken by entities of the United Nations development system to strengthen and use national capacities and to make proposals to address any obstacles;

21. *Requests* the funds and programmes of the United Nations development system, and invites specialized agencies, to consider the findings and observations related to national capacity gaps repeatedly highlighted by programme countries to be addressed through the work of the operational activities for development of the United Nations system, including through the strengthening and use of national capacities, and to report to their governing bodies in 2015 with recommendations for implementation in this regard;

Poverty eradication

22. *Welcomes* the integration of poverty eradication, as the overarching priority, into the strategic plans of some United Nations system organizations, in accordance with their mandates;

23. *Reaffirms* the call by the General Assembly, contained in its resolution 67/226, for the organizations of the United Nations development system to assign the highest priority to the eradication of poverty, and in this regard requests the

United Nations funds and programmes to include in their regular reporting to the Council information on steps taken, in accordance with their mandates, on the scaling up of efforts to address the root causes of extreme poverty and hunger, sharing of good practices, lessons learned, strategies, programmes and policies, inter alia, capacity-building, employment generation, education, vocational training, rural development and the mobilization of resources, which aim at achieving poverty eradication and promoting the active participation of those living in poverty in the design and implementation of such programmes and policies;

South-South cooperation

24. *Recalls* the requests contained in General Assembly resolution 67/226 on strengthening South-South cooperation, in this regard notes the progress made by some entities of the United Nations development system in mainstreaming South-South and triangular cooperation into their key policies, strategic frameworks, operational activities and budgets, and welcomes decision 18/1 of the High-level Committee on South-South Cooperation,[2] which contains, inter alia, measures to strengthen South-South and triangular cooperation, including through improved allocation of resources across the United Nations development system, including the United Nations Office for South-South Cooperation;

25. *Requests* the Secretary-General, in close consultation with the United Nations Office for South-South Cooperation, to present, as part of his annual report on the implementation of the quadrennial comprehensive policy review in 2015, recommendations based on a thorough analysis of obstacles to and incentives for the scaling up of United Nations support for South-South cooperation, including lessons learned from the implementation of successful South-South cooperation projects and programmes;

26. *Decides* that the President of the Council will include in its agenda for the operational activities segment of 2015 an interactive segment with relevant United Nations stakeholders and external stakeholders on lessons learned from the implementation of South-South cooperation projects and programmes and the potential benefits for the United Nations development system and participating countries;

27. *Reaffirms* the call in paragraph 77 of General Assembly resolution 67/226 for all countries in a position to do so, as well as other stakeholders, to increase their support for South-South cooperation and triangular cooperation, especially by providing technical assistance and mobilizing financial resources on a sustainable basis, and in this regard requests the United Nations funds and programmes to clarify for Member States, as part of their regular briefings, the role of all stakeholders and the action taken so far by such entities in this regard;

28. *Recalls* the request contained in General Assembly resolution 67/226 to the heads of specialized agencies, the United Nations funds and programmes and regional commissions to pay special attention to the implementation of South-South cooperation projects, including those managed or supported by the United Nations Office for South-South Cooperation, and requests the Secretary-General, as part of his regular reporting to the Council, to provide an update on progress in this regard;

[2] See *Official Records of the General Assembly, Sixty-ninth Session, Supplement No. 39* (A/69/39), chap. I.

Transition from relief to development

29. *Reaffirms* the request contained in General Assembly resolution 67/226 to the United Nations development system to accelerate progress in deepening coordination between Secretariat entities and members of the United Nations development system, inter alia, through the simplification and harmonization of programming instruments and processes and business practices, with a view to providing effective, efficient and responsive support to national efforts in countries in transition from relief to development, and requests the Secretary-General to include in his regular reporting to the Council comprehensive and evidence-based updates on progress in this regard;

Gender equality and women's empowerment

30. *Welcomes* efforts made by entities of the United Nations development system to implement the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women, and requests those entities of the United Nations development system that have not already done so to accelerate efforts to implement the Action Plan with a view to ensuring that all relevant entities meet its performance standards by 2017;

Resident coordinator system

31. *Notes with appreciation* progress achieved in implementing the cost-sharing agreement for the resident coordinator system, notes the funding gap expected for the resident coordinator system for 2014 and 2015, in this regard requests entities of the United Nations development system that have not already done so to take appropriate actions to implement the agreement, subject to the approval of their governing bodies and without impacting programme delivery, including by paying their contribution in full, and requests the Secretary-General to include in his regular reporting to the Council updates on agency-specific progress in this regard;

"Delivering as one"

32. *Welcomes* the finalization of the standard operating procedures for countries adopting "Delivering as one" on a voluntary basis, and in this regard requests the United Nations funds and programmes, and strongly encourages the specialized agencies, to take appropriate actions to fully and coherently implement the standard operating procedures, including the United Nations Development Group Plan of Action for Headquarters, and to report annually on progress in this regard at the annual meeting of their respective governing bodies;

33. *Requests* the United Nations development system to provide an update to Member States on the process for review and approval of common country programme documents at the operational activities segment of the substantive session of 2015 of the Council;

34. *Recognizes* that pooled funding mechanisms are important tools in advancing "Delivering as one" in countries wishing to adopt this approach, and encourages donor countries and other countries in a position to do so to prioritize the use of such mechanisms in order to maximize the impact of the "Delivering as one" reforms in those countries;

Simplification and harmonization of business practices

35. *Requests* the United Nations funds and programmes to present the comprehensive joint action plans for the simplification and harmonization of business practices to their respective executive boards, and invites the United Nations funds and programmes to undertake a thorough review of progress in the simplification and harmonization of business practices;

36. *Calls upon* the United Nations funds and programmes to present an update, in 2014, on progress towards a proposal on the common definition of operating costs and a common and standardized system of cost control, paying due attention to their different business models, with a view to taking a decision on this issue in the context of the quadrennial comprehensive policy review in 2016;

37. *Requests* the Secretary-General to report to the Council at its substantive session of 2015, as part of his regular reporting, on progress in achieving full system-wide interoperability of enterprise resource planning systems in 2016 in the context of the quadrennial comprehensive policy review;

38. *Notes with concern* that plans containing concrete proposals for pilots for common United Nations service centres in consenting programme countries that represent the diversity of United Nations presence in all regions were not presented to the substantive session of 2014 of the Council, as requested in its resolution 2013/5, and in this regard reiterates its request to the Secretary-General to ensure adequate and evidence-based planning and design of common United Nations service centres by including such concrete proposals in plans for review by the Council in 2015;

39. *Notes* that some entities of the United Nations development system are establishing agency-specific service centres, and in this regard calls upon all relevant members of the system to participate in the establishment of the common service centres, with the intent that such centres provide long-term and system-wide cost savings and ensure higher quality, more effective and cost-efficient support services in all programme countries;

Results-based management

40. *Notes with concern* that there was no comprehensive reporting to the Council in 2013, with a view to implementation in 2014, on progress made towards a more robust, coherent and harmonized approach to operational activities for development, focused on results, which would streamline and improve the planning, monitoring, measurement and reporting on system-wide results, and in this regard requests the Secretary-General, in consultation with Member States, to update the Council at the operational activities segment of its substantive session of 2015, as part of his regular reporting;

Evaluation of operational activities for development

41. *Welcomes* the new policy for independent system-wide evaluation of operational activities for development of the United Nations system,[3] and notes the decision by the General Assembly contained in its resolution 68/229 to launch two pilot evaluations in the current quadrennial comprehensive policy review cycle;

[3] See A/68/658-E/2014/7.

42. *Calls upon* donor countries and other countries in a position to do so to contribute resources to the implementation of the two pilot independent system-wide evaluations, and requests the Secretary-General to report to the Council, in 2015, as part of his regular reporting, on progress in this regard;

43. *Calls upon* the members of the United Nations development system to further intensify efforts to assist programme countries in strengthening their national evaluation capacities for the monitoring and evaluation of operational activities for development;

Follow-up

44. *Recognizes* its role in providing guidance to the United Nations development system for the implementation of operational activities for development on a system-wide basis, welcomes the dialogues held at the operational activities segment of its substantive session of 2014 regarding the role of the United Nations development system in the changing development landscape and the need to align the United Nations system to address emerging challenges, in this regard decides to convene a transparent and inclusive dialogue involving Member States and all relevant stakeholders on the longer-term positioning of the United Nations development system, taking into account the post-2015 development agenda, including the interlinkages between the alignment of functions, funding practices, governance structures, capacity and impact of the United Nations development system, partnership approaches and organizational arrangements, decides that the Bureau of the Council will provide updates on progress in this regard during the operational activities segment in 2015 and 2016, and requests the Secretary-General to reflect these discussions in his report on the quadrennial comprehensive policy review to the General Assembly for consideration and action by Member States during the 2016 review.

42nd plenary meeting
14 July 2014